



COMMONWEALTH of VIRGINIA

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MEMORANDUM

TO: CSB Executive Directors and Finance Directors
FROM: Joy Yeh, Ph.D., CPA
Assistant Commissioner, Finance and Administration
DATE: September 25, 2003
SUBJ: **Technical Bulletin 2003-02 (Model Investment Policy)**

Background

Technical Bulletin 2003-02 has been prepared by the Office of Financial Reporting and Compliance (Director, Ken Gunn). Technical Bulletins communicate important information to CSBs and may be incorporated into future updates of Financial Management Standards Guide for CSBs. These bulletins focus on the following areas:

- cost savings and revenue enhancing suggestions,
 - Internal control and efficiency issues, and
 - technical and tax issues.
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Purpose

The purpose of an investment policy is to document and communicate the CSB's tolerance for risk with regards to cash and investments and in effect to establish boundaries where investments may be made. Each Operating CSB and BHA should establish an Investment Policy.

About the Model

This Model Investment Policy has been included in Chapter 8, Cash Management, of Financial Management Standards Guide for CSBs issued this month. This model was developed with input and guidance from several local governments, the Virginia Department of Treasury, and a large commercial bank. This model is also included as a separate document on the Office's web site.

How to Use

The Model has been developed in such a way that CSBs can adopt for use in part or in full. Using "search" and "replace" MS Word commands, a CSB may replace the name "Virginia CSB" with the CSB's name. Further edits may be made as determined by CSB Policy.

Availability

This document is available on the DMHMRSAS web site at: www.dmhmrzas.state.va.us. Users should go to the Office's web site under "Publications".

cc: James S. Reinhard, MD
Kenneth M. Gunn, Jr.